

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 02 MADRID 003644

SIPDIS

STATE PASS ROLAND DEMARCELLUS AND JUDY GARBER

E.O. 12958: N/A

TAGS: [BAID](#) [EFIN](#) [ECON](#) [EINV](#) [PREL](#) [SP](#)

SUBJECT: SPANISH GOVERNMENT STRONGLY SUPPORTS NEW INITIATIVES IN INTERNATIONAL AID

REF: A. STATE 177369

[B](#). MADRID 1691

[1](#)1. Summary: In a delayed response to ref A demarche, Technical Advisor Manuel Alhama Orenes in the Cabinet of Secretary of State for International Cooperation (aid) Leire

SIPDIS

Pajin, defined the new position of the GOS on international aid as "anything is possible". Spain is now a major supporter along with Brazil, France and Chile of new international initiatives to end world hunger and guarantee a steady, stable increase in international aid to developing countries. In addition to pushing for greater world aid, President Zapatero and his Secretary of State for International Cooperation Leire Pajin intend to revamp the Spanish aid program, increasing Spanish aid from approximately .25% of GDP to .50% of GDP, and redirect aid from Spain's 32 priority countries, mainly middle income countries in Latin America and North Africa to the world's poorest countries. End Summary.

GOS Strongly Supports New International Aid Initiatives

[1](#)2. We delivered ref A demarche August 30 to several members of Spain's Agency for International Development and Ministry of Foreign Affairs. We requested a response in early September as the GOS began to return from the long August break. We received a response September 16 from Technical Advisor Manuel Alhama Orenes in the Cabinet of Secretary of State for International Cooperation (aid) Leire Pajin. Alhama's answer did not directly address our concerns, but provided a general GOS position on international aid issues.

[1](#)3. Alhama began by pointing out that in recent years developing countries have not achieved the 3% level of GDP growth that would alleviate poverty and hunger. Spain is now one of the chief proponents of new initiatives to provide more assistance to meet this goal together with Brazil, France and Chile. The GOS is also willing to consider a tax on commerce and international arms sales to raise money for new development initiatives.

[1](#)4. Alhama said the GOS is interested in ensuring a stable, predictable flow of international assistance to developing countries so that governments can plan for development needs. In this effort, Spain is interested in considering all options and initiatives that will increase the level of international assistance and funds flowing to poor countries. Alhama emphasized that the new initiatives were voluntary and only those countries wishing to participate in the new endeavors would do so.

[1](#)5. Alhama barely touched on specific concerns in our demarche. He noted that the GOS is also concerned with transparency of developing governments, but that we should not allow this issue to cloud the overall debate on aid and need to ensure greater availability of funds to developing countries. He described the U.S. concerns on taxation and fiscal issues as unfounded, and mentioned that these issues would be studied as possibilities and that the international system of trade would remain open.

Changes in Spanish Aid Policy

[1](#)7. Spain's Socialist government plans a significant increase in aid disbursements and reorientation of aid to poorer countries (Ref B). President Zapatero and his Secretary of State for International Cooperation Leire Pajin have promised to double Spanish assistance from approximately .25% of GDP to 0.5% of GDP in the next four years, and to achieve 0.7% if Zapatero's government is reelected to a second four year term. Much of this new funding will be granted to the world's poorest countries, especially those in Sub Saharan Africa. Spain's aid is currently channeled assistance to 32 priority countries, mostly middle income countries in Latin America and north Africa where Spain had historical ties or foreign policy interests.

Comment

18. The support of the new international aid initiatives by Spain marks a major change in Spanish aid policy, at least rhetorically. One of the major drivers of this change is the new Secretary of State for International Cooperation Leire Pajin. At twenty-eight, Pajin is the youngest Secretary of State (Undersecretary equivalent) in the Spanish government. In 2000, she won a seat in Parliament. She also held the post of Secretary for Social Movements and Relations with NGOs on the Socialist Party's Federal Executive Commission, as well as the presidency of the Spanish NGO Solidarid Internacional (Solidarity International). She is believed to be close to President Zapatero. We will be monitoring closely possible changes Spain might make with respect to recipient countries and international aid initiatives. The government's upcoming budget proposal in early October will also be a concrete indicator of whether the GOS will, in fact, increase overall aid levels despite fiscal constraints.

ARGYROS